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SIPDIS
HONG KONG FOR JOHN J. VERSOSKY
POL.

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [HK](#)
SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK
ON APPLICATION 050211346

REF: 2006 BLUE LANTERN GUIDEBOOK

1.This is an Action Request. See paragraphs 2-4.

¶2. The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests Post's assistance in conducting a pre-license check on application 050211346 for the export of International Traffic in Arms (ITAR)-controlled transformer coupling devices to Hong Kong, Special Administrative Region (Hong Kong). Post is requested to complete this Blue Lantern inquiry within 30 days. Lack of response to a Blue Lantern inquiry will affect pending and future licenses involving parties to this license.

¶3. Reason for request: Unfamiliar Foreign Consignee H&E Development Company and End-User Sinometer (Hong Kong) Co., Ltd; Insufficient documentation submitted with application.

¶4. Action: Department requests that Post make inquiries with the Hong Kong government to establish the bona fides of the foreign consignee and end-user in the proposed transaction. If possible, conduct site visits to assess the companies' reliability as recipients of United States Munitions List (USML) items as well as their operations and on-site security. Emphasize that the unauthorized re-export or retransfer of USML items is strictly prohibited. Confirm with the end-user that it placed an order for the items listed below for the purpose stated on the application. Determine whether any other Hong Kong-based firms are involved in the procurement of the items.

The following questions are provided as guidance:

(To H&E Development Company)

--Will the company be handling or storing any of USML items listed on the license application?
If so, does it have secure facilities and proper accounting and security procedures for handling them?

--When was the company established and who are its principals?

--Does the company appear in Hong Kong business directories?
Does it have a website?

- Can your company provide additional documentation firmly establishing its role in the proposed transaction?

- Has the company previously imported or acted as a consignee involving U.S. defense articles requiring an export license?

- Does your company regularly or otherwise procure defense

articles for this end-user? Other end-users?

- Does your company serve as a broker of USML articles (i.e. do they facilitate transactions between parties for the sale/transfer of USML)? If so, with what other locations besides Hong Kong?

- Does your company have offices abroad? If so, where are they located?

- Has this company ever used any other names?

- What other products are sold by your company?

--What types of organizations are among your typical customers and where are the customers located?

--Does the company understand the restrictions on USML items, especially the prohibition against unauthorized re-transfers and re-exports?

(Sinometer (Hong Kong) Co., Ltd.)

- Please confirm an order for the listed items on license application 050211346.

- Has Sinometer previously imported U.S. defense articles requiring a USML license?

- Can your company provide additional documentation firmly establishing it as the end user of the USML items?

- What is the company's core business and what is the specific purpose of requested USML items?

- Does your company have offices abroad? If so, where are they located?

- Has this company ever used any other names?

- What other products are sold by your company?

- Is your company involved in any business operations with the Hong Kong government, or does it have a direct connection to it (i.e. part or full ownership)?

- Are you familiar with the restrictions against the unauthorized re-export or retransfer of U.S.-origin defense articles?

End Action Request.

15. Details of License Application:

DTC Case: 050211346

QUANTITY/COMMODITY:

200 Transformer Coupling Devices - P/N DB40010

License Value: USD \$72,000.

SELLER:

James Fedele
Porta Systems
North Hills Signal Processing
6851 Jericho Turnpike
Syosset, NY 11791
(516)682-7706

FOREIGN CONSIGNEE:

H&E Development Company
Floor 12, Wah Hen Commercial Building
381 Hennessy Road

Wanchai
Hong Kong, SAR

END-USER:

Ms. Wang Surong, Manager
Sinometer (Hong Kong) Co., Ltd.
Flat B, 18F Loyong Court Commercial Building
212-220 Lockhart Road
Wanchai
Hong Kong, SAR
Tel: 755 8287 2662
Fax: 755 8287 2660

PURPOSE:

Will be used to output signals from the internal data bus to various types of equipment. Manufactured IAW the guidelines of Mil Std 1553 to make isolated connections to a digital data bus. Original design of the data bus was for communications between electronic equipment on military aircraft. Now it is used as a standard data bus in various mobile devices, and ground control systems, military and commercial. The DB40010 will be used in a Tunnel Cross Section Instrument. This is a shield boring machine, and the couplers will be used to connect to sensors that will monitor the deformation of the tunnel segments. It will feed the signals into a centralized distribution center for real-time responses.

¶6. Submitted in support of the license application were the following documents (PM/DTCC will fax documentation to Post upon request):

-- Letter from Wang Surong, Manager of Sinometer dated 05 January 2010;

-- Sales Order from North Hills Signal Processing referencing Purchase Order No. 84704, Order No. 83243-4 dated 22 January ¶2010.

¶7. Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Rachael-Therese S. Joubert-Lin, Phone: 202-663-2950; Email: JoubertLinRS@state.gov; SIPRNET: JoubertLinRS@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file at [http://www.intelink.sgov.gov/wiki/Blue Lantern End-Use Monitoring Program](http://www.intelink.sgov.gov/wiki/Blue_Lantern_End-Use_Monitoring_Program).

¶8. Department is grateful for Post' assistance in this matter.
CLINTON